

Figure 1 continued

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COMBINE DATABASE "4" AND DATABASE "5" INTO NEW  
DATABASE NAMED: "INDEX"

- FIGURE  
1G

CREATE CONSTANT "NUMBER"; "NUMBER" = "USER  
DEFINED" TOTAL NUMBER OF OPEN END MUTUAL FUNDS  
TO BE INCLUDED WITHIN THE DATABASE "INDEX"

- FIGURE  
1H

CREATE CONSTANT NAMED "CALCULATION" WHERE  
"CALCULATION" = "USER DEFINED" CHOICE OF  
<EQUALLY PRICE WEIGHTED>, <CAPITALIZATION  
WEIGHTED>, <GEOMETRICALLY WEIGHTED>, OR  
<CUSTOM WEIGHTED>

- FIGURE  
1I

CREATE FORMULA: "OPTIMAL RISK/RETURN (T)"  
WHERE "OPTIMAL RISK/RETURN (T)" = "TOTAL  
RISK/RETURN (T)" - "TOTAL RISK/RETURN (T-1)"  
IF "TOTAL RISK/RETURN (T)" < "TOTAL  
RISK/RETURN T-1" THEN REPEAT UNTIL  
"TOTAL RISK/RETURN" YIELDS A GROUP OF  
FUNDS WHERE NUMBER = "NUMBER" AND NO OTHER  
COMBINATION OF FUNDS YIELDS A LOWER  
RISK/RETURN RATIO OVER TIME (T) AND NAME  
"FINAL INDEX"

- FIGURE  
1J

CREATE FORMULA "TOTAL RISK/RETURN" WHERE  
"TOTAL RISK RETURN" = SUM (TOTAL RISK FOR  
ALL FUNDS IN INDEX/TOTAL RETURN FOR ALL  
FUNDS IN INDEX) FOR TIME PERIOD (T)

- FIGURE  
1K

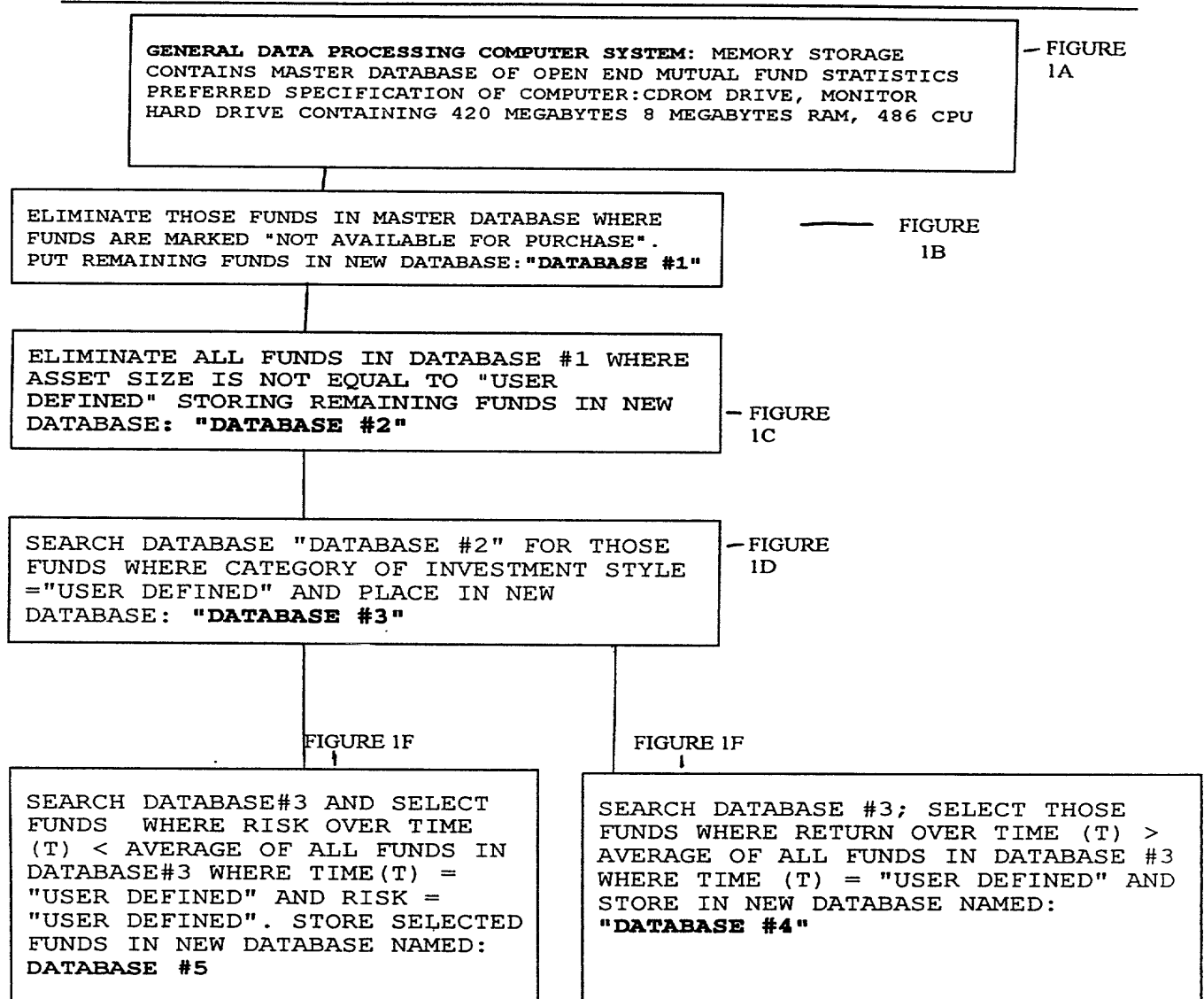
PRINT OUT A CHART OF "FINAL INDEX" FOR  
TIME (T). RETURN TO FIGURE 1A TO REPEAT

- FIGURE  
1L

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FIGURE 1

SCHEMATIC FLOWCHART OF :  
OPEN END MUTUAL FUND INDEX COMPUTER PROGRAM



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FIGURE 2

PROCESS FOR INTRA-DAY TRADING OF SECURITIZED  
OPEN END MUTUAL FUND,  
INDEX AND LINKED DERIVATIVE SECURITIES

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